



The Trusted Choice

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**Michigan Association of Insurance Agents**  
*Representing Independent Agents*

May 22, 2014

Testimony before Senate Insurance Committee on HB 4485

Dear Chairman Hune and Committee Members,

My name is Scott Hummel representing the Michigan Association of Insurance Agents representing Independent Insurance Agents. Our sincere thanks for your time. MAIA encourages you to oppose HB 4485 and to vote no on the bill for the following reasons:

- The nature of the product – Supporters of HB 4485 have argued that selling insurance to SSF customers is akin to selling portable electronics (PE) insurance. However, unlike PE insurance which is more like a warranty than insurance, SSF insurance is actually more like renter's insurance (the SSF association's legal counsel even admitted so in testimony before the House Regulatory Reform Committee). The coverage is more complicated, covers multiple perils, and is significantly different from other exempted lines.
- Point of sale is irrelevant – Supporters contend that the point of sale convenience for their customers is an appropriate reason for being exempted from licensing. MAIA believes this reason is irrelevant. The same reasoning can be used for landlords and renters, for automobile dealers and buyers, and for realtors and home buyers. However, in each case, because of the complexity of the insurance product (as noted above) and the potential for financial conflict, state law states that those engaged in selling insurance to their clients must be licensed and must maintain separate business entities.
- Protecting the insurance consumer – DIFS oversight of those selling insurance products provide Michigan insurance consumers with a level of protection and trust that will not be available should HB 4485 pass.

Do not misunderstand. We are not saying that SSF owners shouldn't be able to sell a renter's insurance product to their customers. Rather, because of the complexity of the insurance product and in order to protect Michigan insurance consumers, SSF owners should follow the same educational and licensing standards that all producers currently follow to sell insurance in Michigan.

It is important to remember that SSF operators are already selling insurance to their renters. In fact, in some cases it's a requirement as part of the rental agreement. So I ask, "What is the problem that this bill is trying to solve?"

MAIA asks that you oppose HB 4485. Thank you for your consideration.

Scott Hummel  
Michigan Association of Insurance Agents

